China, People's Republic of: Hunan Technical and Vocational Education and Training Demonstration Project

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Hunan Technical and Vocational Education and Training Demonstration Project</th>
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<tbody>
<tr>
<td>Project Number</td>
<td>45511-006</td>
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<tr>
<td>Country</td>
<td>China, People's Republic of</td>
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<tr>
<td>Project Status</td>
<td>Active</td>
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<td>Project Type / Modality of Assistance</td>
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<td>Source of Funding / Amount</td>
<td>Loan 3010-PRC: Hunan Technical and Vocational Education and Training Demonstration Project</td>
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<td>Strategy / Sector / Subsector</td>
<td>Education - Technical and vocational education and training</td>
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<tr>
<td>Gender Equity and Mainstreaming</td>
<td>Effective gender mainstreaming</td>
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**Description**

The project will provide targeted support to 13 public TVET institutions in Hunan to strengthen the capability to deliver demand-driven quality programs related to priority industries. The project will build the capacity of IAGs and foster partnerships between 13 project TVET institutions and employers to jointly develop the skills needed in the workplace, and prepare graduates who are able to adjust to changing demands in the labor market quickly; modernize the curriculum by developing competency-based curriculum (CBC) in priority areas; upgrade the instructional capacity of vocational instructors and build TVET management capacity; strengthen market-oriented program planning through improved labor market information system (LMIS); and upgrade equipment and facilities in selected TVET institutions.

**Strategic Agendas**

- Inclusive economic growth

**Drivers of Change**

- Governance and capacity development

**Gender Equity and Mainstreaming**

- Effective gender mainstreaming

**Incorporation of the lessons learned.** Lessons from activities in skills training supported by ADB and the World Bank were incorporated into the project design. Lessons include (i) actively involving representatives of industries and IAGs in identifying occupational areas that are in demand, developing competencies for market-demanded occupational areas, and working with the project TVET institutions to develop modular, CBC and learning materials; (ii) conducting tracer studies of the trainees, and strengthening the capacity of the relevant government agencies and the TVET institutions to analyze labor market demand; and (iii) establishing a project benefit monitoring and evaluation system.
Project Rationale and Linkage to Country/Regional Strategy

The PRC is one of the fastest growing economies, with an average annual growth rate of over 9.0% since the 1980s. The government’s 12th Five-Year Plan, 2011-2015, targets annual gross domestic product (GDP) growth of 7.5%. Despite impressive growth, the PRC is facing a number of urgent development challenges. The government’s key priorities include institutional development, employment challenges, urbanization, and consumption-oriented growth, from low to higher value-added industries, and supporting rapid urbanization and environmentally sustainable and socially inclusive development all of which require significant investments in human capital. Strengthening human resources through the development of TVET is one of the key priorities under the 12th Five-Year Plan. The PRC is experiencing skill and labor shortages. National labor market data from 91 cities in 2012 showed that demand exceeded supply in almost all technical and skilled categories. The PRC’s comparative advantage in low-skilled labor-intensive production is expected to decline, with the economy shifting to more skill-intensive products and production technologies. The Government of the PRC is increasingly emphasizing the value of highly skilled human capital. In 2010, the central government identified TVET as the key target for educational expansion to develop a skilled work force, and approved the National Long-Term Strategy on Education, 2010-2020. The education plan sets up goals and reforms to better align the education system with the demands of economic and social development.

Impact

Skilled human resources contribute to inclusive growth and social development in Hunan province

Project Outcome

Description of Outcome

Strengthened capacity of the TVET system to meet labor market needs

Progress Toward Outcome

Since the project effectiveness in November 2013, PMO has undertaken significant work in start-up activities but the implementation progress has been slow due to initial delays in procurement of works and goods and consulting services. As of 4 May 2018, about 58 months of implementation period have elapsed which represents 81% of overall project duration, based on the original completion date. There has been good progress in terms of project implementation since 2016 enthused and facilitated by the three ADB review missions of that year and the project midterm review in October 2017. The project implementation is progressively improving, with increased physical progress on project components of civil works, goods and capacity building of 70%, 60% and 55%, respectively as of 4 May 2018.

Out of total 36 civil works and goods contracts, 30 packages were awarded; out of 9 consulting contracts and 1 partnership agreement there is 1 remaining contract to be advertised. As of 23 January 2019, the cumulative contract awards have been increased to $39.24 million (78.48%) while cumulative disbursements to $31.14 million (62.28%) which includes the initial payment to the project’s imprest account.

As of 4 May 2018, the cumulative contract disbursement has reached $29.54 million (58.96%) out of which $27.44 million (55.84%) was disbursed during Quarter 1, 2018 for goods and $2.1 million (4.12%) was disbursed during Quarter 2, 2018 for works. The cumulative disbursement ratio is 75% for civil works, 60% for goods and 55% for capacity building as of 4 May 2018.

Implementation Progress

Geographical Location

Chengguan, Furong District, Huairou Xian, Huinan, Shifeng Qu, Tianxin District, Wangcheng County, Yueyangqou Qu, Yuhua District, Zhuzhou Shi, Zixing Shi, huaihua shi

Safeguard Categories

Environment

B

Involuntary Resettlement

C
Summary of Environmental and Social Aspects

Environmental Aspects
The project is classified category B for environment. An initial environment examination (IEE) including environmental management plan (EMP) was prepared and was disclosed on the ADB website on 12 February 2013. The IEE complies with ADB’s Safeguard Policy Statement (2009). The IEE concludes that the project’s anticipated environmental impacts can be mitigated through the implementation of the EMP. During the construction of new buildings and facilities on existing school campuses, some environmental impacts are anticipated including noise, fugitive dust, solid wastes, and risks to community and occupational health and safety. Overall, construction-related impacts are localized, short-term, and can be effectively mitigated through the application of good construction practices and the implementation of construction phase community and occupational health and safety plans. During operation, no major environmental impacts are anticipated. The EMP defines mitigation measures, monitoring requirements, and institutional responsibilities to ensure proper environmental management throughout the project construction and operation. Environmental management is supported by loan covenants, and capacity development and institutional strengthening activities under the project. The PMO will establish a grievance redress mechanism and handle any dispute arising from noncompliance with the EMP.

Involuntary Resettlement
The involuntary resettlement category is C. The project activities will neither require land acquisition nor resettlement. Resettlement due diligence was conducted, which confirmed that there are no legacy issues from the time the campuses were established.

Indigenous Peoples
The indigenous peoples’ category is C. No project activities will adversely affect indigenous people. The poverty and social assessment determined that ethnic minority students are well integrated into all the project TVET institutions. Increased quality of TVET as a result of the project will benefit all students, including ethnic minorities.

Stakeholder Communication, Participation, and Consultation

During Project Design
A poverty and social analysis, socioeconomic survey, stakeholder workshops, focus group discussions, and informant interviews were conducted during the PPTA.

During Project Implementation
Project implementation involves multiple government agencies at the provincial, municipal and county level, as well as the 13 project TVET institutions who will be the main implementation agencies. ADB will be responsible for administering the ADB-financed components of the project and jointly with the Hunan Provincial Government/Hunan Education Department to supervise project implementation.

Business Opportunities
Consulting Services
All consultants will be recruited according to ADB’s Guidelines on the Use of Consultants.

Procurement
All procurement of goods and works will be undertaken in accordance with the Asian Development Bank’s (ADB) Procurement Guidelines.

Responsible ADB Officer
Tajima, Eisuke

Responsible ADB Department
East Asia Department

Responsible ADB Division
Urban and Social Sectors Division, EARD

Executing Agencies
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418 North Shaoshan Road
Shangsha City, Hunan Province
People’s Republic of China

Loan 3010-PRC

Milestones

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Financing Plan

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